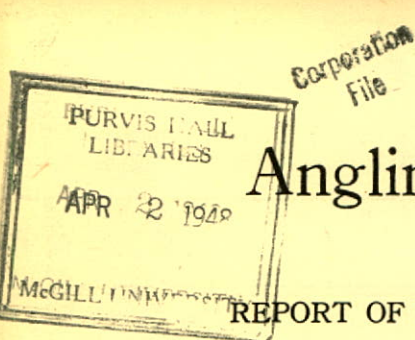




Anglin-Norcross Corporation Limited

and Subsidiary Companies

REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS FOR THE PERIOD ENDING DECEMBER 31st, 1947

TO THE SHAREHOLDERS:

On behalf of your Directors, I submit the Annual Report of your Company for the year 1947.

An increased volume of business is reflected in this Statement, and particular reference is drawn to the following items:—

EARNINGS for the year amounted to \$138,242, an increase of \$47,859, over 1946. Earnings on the common stock for the year were \$2.11 per share as compared with \$1.38 in the year 1946. The volume of work carried out in 1947 was more than double that done during 1946. The failure of profits to increase in proportion to volume is due to higher operating costs, retarded operations caused by shortages of labour and materials and the policy of your management in maintaining fees and profits at the lowest possible rates consistent with sound business operations.

FINANCIAL POSITION of the Company continues strong. The Balance Sheet shows that Current Assets of \$2,235,545, exceed Current Liabilities of \$1,516,291, by \$719,254. A decrease in working capital during the past year of \$96,852, is brought about by Past Service payments to the Staff Retirement Plan and part payment of the Special Dividend.

MATERIAL AND PERISHABLE TOOL ACCOUNT is substantially reduced due to the cessation of operations of Anco Granites Limited.

BONDS AND INVESTMENT ACCOUNT is reduced to provide funds for Staff Retirement Plan, Special Dividend and increased volume of operations.

PLANT AND EQUIPMENT ACCOUNT is increased by the purchase of additional units of equipment and by the replacement of obsolete machines. The fixed assets lost by fire at Anco Granites Limited on March 1st 1947 have been written off.

DEPRECIATION RESERVE—Provision has been made for depreciation in the amount of \$33,032.50 for the year, and an amount of \$52,750.47 written off to cover disposal of assets either by sale or destroyed by fire, leaving a net reduction in Depreciation Reserve of \$19,717.97.

CAPITAL STOCK—Subdivision of the Capital Stock of the Company on the basis of TEN new shares for ONE old share was effected by Supplementary Letters Patent dated May 28th, 1947.

DIVIDEND-SPECIAL—Following a Special General Meeting held on October 15th, 1947, whereat the Shareholders elected, under the provisions of Part XVIII of the Income War Tax Act to pay a tax as set out in Subsection 2 of Section 96 of the said Act on an amount equal to the Company's undistributed income on hand at the end of its 1939 fiscal period, the said Tax in the amount of \$77,260.18 as computed by McDonald, Currie & Company, Chartered Accountants, was paid on October 23rd, 1947, and at a meeting held on December 22nd, 1947, your Directors declared a dividend on the Common Stock of the Company out of the accumulated undistributed income of the Company as defined in Section 94 of the Income War Tax Act in the aggregate amount of \$353,529.27, payable on December 29th, 1947, to Shareholders of record of December 26th, 1947. 64 Shareholders received their dividend totalling \$50,663.54 in cash while the remaining 11 (comprising the larger Shareholders) reinvested their dividend totalling \$302,865.73 in Non-interest-bearing Redeemable Debentures of the Company which Debentures must be fully redeemed and paid before any further dividends can be paid on the Common Stock of the Company.

STAFF RETIREMENT PLAN—This Plan, effective June 30th, 1947, replaces the Profit Sharing Plan. A payment from Surplus of \$141,077.53 to take care of Past Service was made. Future Service payments are contributed to by your Company and the employees. The Plan has been well received.

OPERATIONS—Business carried forward into 1948 is substantial. Shortages of materials and skilled workers still delay construction progress. Your Company's relations with labour during the past year have been most satisfactory. The age average of the staff has been lowered during the year by the development and promotion of younger men to positions of responsibility. The determined and aggressive activity of your field forces have been particularly helpful in overcoming many difficulties.

DIRECTORS—The resignation of Mr. W. S. Leslie, through ill-health, has deprived the Board of a valued counsellor and colleague who has served this Corporation and its predecessor companies with distinction since 1921. Brigadier D. Kingdon Black, C.B.E., D.S.O., was elected a Director on September 22nd, 1947.

STAFF—The appreciation of the Directors is recorded for the loyal and efficient service rendered by the staff throughout the year.

Respectfully submitted on behalf of the Directors,

PHILIP NORCROSS GROSS

PRESIDENT

MONTREAL, FEBRUARY 23RD, 1948.

Assets

CURRENT ASSETS:

Cash on Hand and in Banks	\$ 152,004.83	
Bonds and Investments—At Cost	161,731.75	
(Market Value \$172,215.50)		
Accounts Receivable	1,900,618.63	
Material and Perishable Tool Inventories at the lower of Cost or Market	21,190.30	
TOTAL CURRENT ASSETS		\$2,235,545.51

Refundable Portion of Excess Profits Tax	39,373.93
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FIXED ASSETS:

Plant and Equipment, At Cost	486,584.09	
Office Building and Iberville Granite Cutting Works, At Cost	120,559.25	
Mile End Yard—Buildings, At Cost	15,116.05	
Mile End Yard—Land as appraised by Westmount Realities Limited Feb. 5th, 1946	35,000.00	
Properties—Montréal, At Cost	1,585.68	
	172,260.98	
	658,845.07	
Less: Reserve for Depreciation	411,019.81	247,825.26
		<u>\$2,522,744.70</u>

We have audited the books and accounts of ANGLIN-NORCROSS CORPORATION LIMITED, and its Subsidiaries, Anglin-Norcross Quebec Limited, Anglin-Norcross Ontario Limited, Anco Granites Limited, Anglin-Norcross Maritime Limited and Rosslin Improvement Company Limited, for the year to December 31, 1947.

We have verified the Securities and the Revenue therefrom. The usual Depreciation has been provided on Buildings, Plant and Equipment.

In our opinion, the above Consolidated Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given to us, and as shown by the books of the Company. All our requirements as Auditors have been complied with.

WILSON, BIRNIE & SEYMOUR,
Chartered Accountants.

MONTREAL, FEBRUARY 4TH, 1948.

Approved—{ PHILIP N. GROSS
ROBERT W. JOHNSTONE } Directors

Clients - 1947

ABBOTT LABORATORIES LIMITED	GENERAL CIGAR COMPANY LIMITED
AMERICAN CAN COMPANY	GLOBE PRINTING COMPANY
AMERICAN OPTICAL COMPANY	FRANK W. HORNER LIMITED
CANADA LIMITED	IMPERIAL TOBACCO COMPANY OF CANADA LIMITED
ARMoured FLOOR COMPANY LIMITED	KAY'S GOODIES LIMITED
AYERST, McKENNA & HARRISON LIMITED	KELLOGG COMPANY OF CANADA LIMITED
BANK OF MONTREAL	KENDALL BROTHERS INCORPORATED
BARCLAYS BANK (CANADA)	LAST POST FUND—POINTE CLAIRE
BELL TELEPHONE COMPANY OF CANADA	LEWIS BROTHERS LIMITED
BON AMI LIMITED	A. C. LESLIE & COMPANY LIMITED
BRANDRAM-HENDERSON LIMITED	ELI-LILLY & COMPANY (CANADA) LIMITED
ALLAN BRONFMAN, ESQ.	LION VINEGAR COMPANY LIMITED
CANADA BUILDING MATERIALS LIMITED	MACDONALD COLLEGE
CANADA CYCLE & MOTOR COMPANY LIMITED	MANUFACTURERS LIFE INSURANCE COMPANY
CANADA LINSEED OIL MILLS LIMITED	ROBERT MITCHELL COMPANY LIMITED
CANADIAN ARSENALS LIMITED	MONTREAL COTTONS LIMITED
CANADIAN BANK OF COMMERCE	ONTARIO RESEARCH FOUNDATION
CANADIAN NASHUA PAPER COMPANY LIMITED	ORANGE CRUSH LIMITED
CANADIAN PACIFIC RAILWAY COMPANY	PEPSI-COLA COMPANY OF CANADA LIMITED
CARTER'S INK COMPANY OF CANADA LIMITED	PROVINCE OF ONTARIO
CHURCH OF ST. JOHN THE EVANGELIST	DEPARTMENT OF PUBLIC WORKS
CINE-WORLD CANADIAN (PAPINEAU) CORPORATION	QUEBEC HYDRO-ELECTRIC COMMISSION
CONSOLIDATED MINING & SMELTING COMPANY OF CANADA LIMITED	F. G. ROBINSON, ESQ.
CONSUMERS' GAS COMPANY	THE ROYAL TRUST COMPANY
R. L. CRAIN LIMITED	SANGAMO COMPANY LIMITED
DOMINION BRIDGE COMPANY LIMITED	SEVEN-UP OF MONTREAL LIMITED
DOMINION OF CANADA	J. R. SHORT MILLING COMPANY (CANADA) LIMITED
DEPARTMENT OF RECONSTRUCTION & SUPPLY	SIMMONS LIMITED
DOMINION GLASS COMPANY LIMITED	THE SINGER MANUFACTURING COMPANY
DOMINION RUBBER COMPANY LIMITED	STANDARD BRANDS LIMITED
DRUMMONDVILLE COTTON COMPANY LIMITED	STANDARD PUBLISHING COMPANY LIMITED
EASTMAN PHOTOGRAPHIC MATERIALS LIMITED	ST. JAMES UNITED CHURCH
T. EATON COMPANY LIMITED OF MONTREAL	M. STEINER COMPANY LIMITED
T. H. ESTABROOKS COMPANY LIMITED	TURNER & NEWALL (CANADA) LIMITED
FRY-CADBURY LIMITED	UNIVERSITY OF TORONTO
	VICKERS-VULCAN PROCESS ENGINEERING COMPANY LIMITED
	WAR ASSETS CORPORATION

Surplus—Earned

Profit on Completed Contracts and work in progress after providing for Depreciation of \$33,032.50 and for all Operating Expenses for the year to December 31, 1947.....				\$ 284,531.71
<i>Add:</i> Income from Investments.....				13,848.93
				298,380.64
DEDUCT:				
Directors' Fees				2,975.00
Executive Remuneration.....				40,750.00
Legal Fees.....				1,863.74
Provision for Income and Excess Profits Taxes...				114,549.19
				160,137.93
Net Profit for Year to December 31, 1947.....				138,242.71
Earned Surplus, December 31, 1946.....				923,929.32
<i>Add:</i> Transfer from Reserve for Depre- ciation of Investments.....				70,000.00
Capital Gain re Fire at Iberville, Que.....				56,738.07
				126,738.07
DEDUCT:				1,050,667.39
Private Company Dividend and Special Tax from undistributed Income at 1939.....				430,789.45
Past Service Payments to Staff Retirement Plan as at June 30, 1947				141,077.53
				571,866.98
				478,800.41
EARNED SURPLUS—DECEMBER 31, 1947.....				\$ 617,043.12

Consolidated Balance Sheet

December 31st, 1947

Liabilities

CURRENT LIABILITIES:

Accounts and Bills Payable.....	\$1,418,560.75	
Dividend Payable.....	592.80	
Income and Excess Profits Taxes less amounts paid on account.....	97,138.19	
TOTAL CURRENT LIABILITIES.....		\$1,516,291.74

Non-interest-bearing Redeemable Debentures— Maturing May 1, 1958.....		302,865.73
Reserve for Investments.....		14,370.18

CAPITAL STOCK:

Common, No Par Value		
Authorized.....100,000 Shares...		
Issued..... 65,600 Shares...		32,800.00

SURPLUS—EARNED.....	617,043.12	
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SURPLUS—DEFERRED

Refundable Portion of Excess Profits Tax.....	39,373.93	656,417.05
		<u>\$2,522,744.70</u>

Anglin-Norcross Corporation Limited

BOARD OF DIRECTORS

J. P. ANGLIN	Montreal	H. J. GROSS	Montreal
F. H. BACQUE	Toronto	P. N. GROSS	Montreal
G. W. BIRKS	Montreal	J. E. HARRINGTON	Montreal
D. K. BLACK	Montreal	R. W. JOHNSTONE	Toronto

OFFICERS

<i>Chairman of the Board</i>	HENRY J. GROSS
<i>President</i>	PHILIP NORCROSS GROSS
<i>Vice-President</i>	ROBERT W. JOHNSTONE
<i>Vice-President</i>	J. ERIC HARRINGTON
<i>Vice-President</i>	WILLIAM G. LAMBERT
<i>Vice-President and Secretary-Treasurer</i>	THOMAS A. GUNN
<i>Assistant Secretary-Treasurer</i>	LESTER S. UNDERWOOD

SUBSIDIARY COMPANIES

ANGLIN-NORCROSS QUEBEC LIMITED	892 Sherbrooke St. W., Montreal
ANGLIN-NORCROSS ONTARIO LIMITED	57 Bloor Street West, Toronto
ANGLIN-NORCROSS MARITIME LIMITED	319 Roy Building, Halifax
ANCO GRANITES LIMITED	Iberville, Que.
ROSSLIN IMPROVEMENT COMPANY LIMITED	892 Sherbrooke St. W., Montreal